

EXHIBIT B

**SPRINKLER FITTERS AND APPRENTICES
LOCAL 704 DEFINED CONTRIBUTION PENSION FUND
COLLECTION AND AUDIT PROCEDURE
March 25, 2015**

I. Preamble

The Trustees of the Sprinkler Fitters and Apprentices Local 704 Defined Contribution Pension Fund (Fund) recognize a responsibility to collect any and all employer contributions due pursuant to the terms of the Collective Bargaining Agreement (CBA) in effect between the Union and Association (and other participating employers).

Therefore, the following procedures for collection of delinquent contributions as adopted by the Trustees.

II. Procedures

- a) The Administrator will maintain a list of all employers bound to contribute to the fund.
- b) Each contributing employer must submit to the Administrator a monthly report of hours worked by its employees along with contributions due and payable to the Funds by the 15th of the month following the month in which the hours were worked.
- c) After collection and reconciliation of the contributions, the Administrator will promptly (approximately two weeks after the due date) mail correspondence to contractors who did not submit a report and/or contributions and to contractors who submitted late reports indicating liquidated damages owed to the Fund.
- d) The Administrator will notify the trustees if contributions are not received within seven days of the above correspondence. In such case, the Trustees will notify the Union of the employer's failure to pay and recommend the Union take those actions permitted under the CBA.
- e) On or after the above date, the Trustees may refer the matter to legal counsel for pursuit of all amounts and expenses owed per the CBA and ERISA.
- f) Before filing legal proceedings or in connection therewith, the Trustees may enter into a payment agreement with a delinquent employer, the terms of which will include an adequate down payment as determined by the Trustees, interest at 3% over the prime rate as established by Comerica Bank, and adequate security given by the employer, including owner's acknowledgement that he/she is liable on an individual basis for repayment and the Fund is given a position of security second only to an employer's lending institution on all assets and accounts receivable. Further, all available lien/bond information necessary to protect the Fund's interest will be provided.

- g) The Trustees will have routine payroll audits performed on each contributing employer at least once every three years to determine that all forms and contributions have been accurately submitted. A new employer may be audited within the first three (3) months of signing the CBA. The Administrator shall notify the auditor of each newly signed employer. When the Administrator discovers that an employer is going out of business, the Administrator shall notify the auditor to prepare a final audit of the employer. The Trustees may conduct an audit of any employer if the Trustees determine in their sole discretion that the circumstances warrant the audit. An audited employer shall provide the auditor any and all books and records which the Trustees, in their sole discretion, determine necessary to verify the correctness of reports transmitted by the employer to the Administrator.

In an effort to be cost-effective, the Board of Trustees authorize the Administrator and Fund Legal Counsel to consult with the NASI Fund auditor regarding all audits.

Once it has been determined that an audit is necessary, pursuant to the CBA and/or the above provisions, the company being audited will be required to schedule a date for an on-site audit within thirty (30) days of the initial notice by the auditor. If the company refuses the on-site audit within that time frame, the matter shall be directed to legal counsel to enforce the audit requirements. It will be the responsibility of the auditor to notify the company of the thirty day requirement. It will also be the responsibility of the auditor to notify legal counsel and the administrator if the company refuses the on-site audit within the time frame set forth above. Finally, the non-complying employer will be responsible for all legal and audit fees incurred based on the employer's non-compliance. These amounts shall be included in the final audit when completed by the auditor.

Should a shortage in contributions be determined as a result of an audit, the employer will be assessed a liquidated damage of 10% of the unpaid contribution delinquency. However, if the employer satisfies the delinquency within fourteen (14) days of the date of the audit, this liquidated damage will be waived. Notwithstanding the above, the Trustees shall have the discretion to withhold the waiver of the audit liquidated damages.

Adopted on 3/28, 2015, by the Trustees.

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T. J.

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